

Message Text

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SUBJECT: GUINEA BISSAU: "PRESS COMMENT ON POLITICAL AND
ECONOMIC SITUATIONS ON THE EVE OF INDEPENDENCE."

SUMMARY. TWO RECENT ARTICLES IN BRITISH PRESS ATTEMPT TO
GIVE EYEWITNESS COMMENTARY ON POLITICAL AND ECONOMIC SITUATIONS
IN GUINE BISSAU AS THAT COUNTRY PREPARES FOR TRANSFER OF
SOVEREIGNTY. FIRST ARTICLE, "THE ECONOMY OF GUINEA-BISSAU--THE
PAIGCS'S NEXT WAR," APPEARED IN THE FINANCIAL TIMES ON AUGUST 28,
AND WAS WRITTEN BY JANES BERGEROL WHO RECENTLY VISITED GUINEA
BISSAU. ARTICLE ON POLITICAL CONTEXT, "GUINEA-BISSAU SHOWS
HOW TO END A WAR," IS FROM SUNDAY TIMES OF SEPTEMBER 1, AND
WAS WRITTEN BY WELL-KNOWN LEFT-WING CORRESPONDENT AND AUTHOR,
BASIL DAVIDSON, WHO ALSO RECENTLY RETURNED FROM VISIT TO
GUINEA BISSAU. END SUMMARY.

1. FINANCIAL TIMES ARTICLE OF AUGUST 28 SAYS THERE IS
CONSIDERABLE DIFFERENCE IN AREAS CONTROLLED BY PORTUGUESE
AND AREAS CONTROLLED BY PAIGC, WITH LATTER BEING IN BETTER
SHAPE ECONOMICALLY AND CAPABLE OF QUICKLY ASSUMING ROLE OF
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PRODUCTIVE BACKBONE FOR ECONOMY. PAIGC IS PLANNING TO EXPAND

ECONOMY FROM LIBERATED ZONES. UNFORTUNATELY, PRODUCTIVE CAPACITY IN THEIR ZONE VARIES CONSIDERABLY WITH SOUTHERN RICE-GROWING AREA PRODUCING AT RATE ALLOWING FOR ACCUMULATION OF STOCKS, WHILE NORTHERN AREAS, WHICH HAD BEEN ABANDONED BY POPULATION FOR SOME TIME, IN POOR SHAPE.

2. FINANCIAL TIMES CORRESPONDENT SAYS THAT IN BISSAU AND BAFTA IT IS NECESSARY TO QUEUE FOR RICE AND PALM OIL, AND THAT FRUIT AND VEGETABLES ARE SCARCE. SHE CLAIMED THAT FRESH FRUIT IS FOUND ONLY IN LIBERATED ZONES. ACCORDING TO BISSAU ASSOCIATION OF INDUSTRY, COMMERCE AND AGRICULTURE, HALF THE CAPITAL'S 70 EXPATRIATE TRADERS HAVE LEFT THE COUNTRY. BIG CRUNCH FOR TRADERS, OVERWHELMING NUMBER OF WHOM ARE EXPATRIATES, IS WITHDRAWAL OF PORTUGUESE TROOPS WHOSE PAY PACKET HAD AMOUNTED TO 92 MILLION ESCUDOS (18.8 MILLION POUNDS) PER MONTH.

3. ANOTHER PROBLEM NOTED BY TIMES IS SOARING INFLATION AND INADEQUATE WAGES. PAIGC NEVERTHELESS NOW TRYING TO CONTAIN WAGE DEMANDS UNTIL SUCH TIME AS NEW GOVERNMENT CAN WORK OUT ECONOMIC PROGRAM. SUCH PROGRAM WILL HAVE TO BE PREPARED QUITE SOON, AS GROUND NUTS AND TIMBER WILL HAVE TO BE MARKETED AND MONETARY REORGANIZATION PREPARED. IF LATTER CONNECTION, FINANCIAL TIMES NOTES THAT LIBERATED ZONES ARE TOTALLY "DEMONETARISED" OPERATING ON PAIGC UNITS OF ACCOUNT. PAIGC HAS REPORTEDLY APPROACHED BANCO ULTRAMARINO FOR ASSISTANCE.

4. FINANCIAL TIMES CONCLUDES THAT WHILE NEXT FEW MONTHS AND YEARS WILL BE DIFFICULT, POTENTIALLY GUINEA BISSAU IS ONE OF THE RICHER COUNTRIES OF AFRICA. CATTLE AND FISH ARE PLENTIFUL, THERE ARE RICH BAUXITE DEPOSITS IN THE SOUTH (AN EXTENSION OF GUINEA'S BOKE MINES WHERE A DUTCH FIRM HAS FOUND 24 MILLION TONS PROVEN RESERVES), PHOSPATES, ZIRCON, ILMENITE AND OFF-SHORE OIL. WHETHER ALL OF THE MINERALS ARE PRESENT IN IMMEDIATELY EXPLOITABLE QUANTITIES REMAINS TO BE SEEN. CONCESSIONS GRANTED BY PORTUGUESE ARE REPORTEDLY TO BE RENEGOTIATED WITH THE INTENTION OF GETTING EXPLOITATION AS SOON AS POSSIBLE.

5. POLITICAL ASSESSMENT BY BASIL DAVIDSON BEGINS WITH COMMENT FROM LUIS CABRAL, "WE HAVE WAGED THIS WAR WITHOUT HATRED AND WE ARE ENDING IT WITHOUT HATRED." DAVIDSON
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CHARACTERIZED TRANSFER OF POWER FROM PORTUGUESE TO PAIGC AS REMARKEDLY AMIABLE, AND QUOTES CABRAL AS SAYING PAIGC HAS "A GREAT RESPONSIBILITY TO INSURE THAT OUR STRUGGLE ENDS IN AN ORDERLY AND HUMANE WAY, FOR OUR COUNTRY'S SAKE,, BUT ALSO AS A DEMONSTRATION TO THE PORTUGUESE IN ANGOLA AND MOZAMBIQUE THAT THESE THINGS CAN BE DONE REASONABLY AND HUMANELY." IN SUBSEQUENT INTERVIEW WITH BRIGADIER CARLOS FABIAO, SENIOR PORTUGUESE REPRESENTATIVE IN GUINEA BISSAU, DAVIDSON WAS TOLD THAT THIS

REPRESENTS FAIR STATEMENT OF AFRICAN POSITION.

6. BY SEPTEMBER 10, DAVIDSON SAYS, PORTUGAL WILL HAVE EVACUATED 109 MILITARY POSITIONS AND WILL HAVE CLEARED OUT OF REMAINING 20 STRONG POINTS BEFORE SEPTEMBER 25. DAVIDSON CLAIMS THAT THE THREAT OF TROUBLE FROM PORTUGUESE-RAISED AFRICAN TROOPS "HAS COME TO NOTHING." HE SAYS THAT HE DROVE PAST BARRACKS WHERE "COMMANDOS" WERE HANDING IN THEIR UNIFORMS AND RETURNING TO THEIR HOMES. PAIGC UNIT COMMANDER REPORTEDLY TOLD DAVIDSON THAT INDIVIDUAL "COMMANDOS" CONSIDERED GUILTY OF MASSACRES WOULD BE REMOVED TO PORTUGAL AS "THEY COMMITTED THOSE CRIMES FOR THE PORTUGUESE.....WE DON'T WANT TO BEGIN OUR NEW LIFE WITH TRIALS AND EXECUTIONS."

7. PORTUGAL, DAVIDSON SAYS, IS DOING ITS BEST TO HELP PAIGC BY LEAVING BEHIND SUCH USEFUL EQUIPMENT THAT IT CAN; UNFORTUNATELY, THERE IS LITTLE TO LEAVE.

8 COPIES OF ARTICLES BEING POUCHED ADDRESSEES AND AF/P.
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